

THE PUBLIC SERVICE PAGE

DEVOTED TO TOPICS DEALING WITH HAWAII'S WELFARE ALONG MANY LINES

TAX LEAGUE IS NOT POLITICAL ORGANIZATION

H. Gooding Field Addresses Meeting on Needs of Reformation in Assessments

"The Tax Equalization League of Hawaii is not a political organization. It is not the desire of its organizers to affiliate with any particular party but it is their desire that laws be enacted by the next legislature that will provide for a more just and equitable system of taxation assessments."

With this preamble Ed. Towse, president of the league, introduced the speakers at last night's meeting of the league, in the makai pavilion of the Young Hotel.

H. Gooding Field, the first speaker, explained the necessity of the introduction of scientific methods into municipal affairs, especially in the tax department. His address, which is reproduced below, was well received by his auditors and gave the next speaker, Charles H. Merriam a splendid opportunity to demonstrate the Somers system, as a cure for the ills of the taxation system in Hawaii.

Mr. Merriam enumerated some forty or fifty cities and towns on the mainland that have taken advantage of this system, evolved by the St. Paul, Minn., tax assessor. He told of the successful adoption of the system and of the satisfaction that it has brought to the taxpayer.

Several new members were taken into the organization and it was decided to hold open the charter until the return of Prof. W. A. Bryan, president of the league, at which time another meeting will be held and further enlightenment thrown on the taxation question.

Mr. Field's address follows:

MUNICIPAL FINANCES, EXPENDITURES AND TAXATION.

To most minds, the phrase "municipal finances" is the equivalent of municipal expenditures. Public entities and students of municipal affairs, in dealing with these problems have directed their attention chiefly to the making and control of the budget; methods of cost-keeping and accounting; and devising ways and means of getting for the public, for every dollar spent in public service, a dollar's worth of work, brains or supplies. For the past 17 years, the National Municipal League, and more recently a number of similar bodies throughout the United States and Canada, have insisted upon the necessity, not only for uniform accounting, but for the co-ordination of financial with physical statistics as a basis for the determination of cost as a means for increasing public efficiency. In fact, this movement for the promotion of efficiency in municipal administration has been phenomenal. In hundreds of cities, there has been developed, a close scrutiny of municipal activities, their relative cost, and the consideration of the varied fields into which such activities have extended or should extend. The vital question, however, as to how the revenues should be raised has been practically left untouched. Outside of the larger cities, the system of taxation remains much the same as a century ago, while the great increase in property values, with the complex character of modern industry, have increased enormously the problem of equitable assessment.

Must Reorganize System.

Municipal taxation has been receiving attention in some places but not like what is important demands. If the financial systems of our cities are to be reorganized, so must the system of taxation. To enable municipal officials to meet the demands upon them for funds to inaugurate improvements called for by a constantly developing municipal spirit, a thoroughgoing and comprehensive study of taxation is necessary. Several states have made important changes in their systems of taxation, both by constitutional amendment and by statutes. In the main these changes have resulted from recommendations formulated by the conferences on state and local taxation that have been held annually since 1907. Administrative changes made in several states have been generally in the direction of more effective supervision by a state board over local assessments. The states of Colorado, New Hampshire and North Dakota have established permanent tax commissions and the powers of existing commissions in several other states have been increased. These changes are due rather to the necessity of improving efficiency of administration than to the mere desire for equalization.

It has too often been the case whenever the progressive citizens of a community have proposed the extending of municipal activities to new fields, or broadening the scope of those already existing, that they have been confronted with the emptiness of the public treasury: until recent years, one or both of the following time-worn remedies have been generally applied: first, by searching around for some new tax by which to add to the balance in the public treasury, or, secondly, devising some means of extending the limit of bonded indebtedness. Prior to the state conference on taxation and real estate assessments, methods of taxation were accented, without any real scrutiny of their incidence, their productiveness, either actual or potential, or their equity as between tax payers.

VANDALS FOOL WITH RAINFALL STATION PLANT

Honey Bees Plug Water Clock on Kauai With Honeycomb

Vandals meddling with the rainfall stations near Honolulu are mentioned by G. K. Harrison, superintendent of hydrography, in his report for last month. In stating the work done on Oahu he says:

"Oahu was well supplied with rainfall during the month. Records for the stations along the Koolau range were spoiled by being tampered with by unknown persons. It has been decided best to discontinue these stations and reestablish them at points lower down in the Honolulu basin, off the trails and more centrally located in the rainfall catchment areas."

"Two new clock register stations were constructed on the two main branches of the Manoa stream, above all diversions. The data to be obtained will be of immense value in connection with Honolulu's water supply."

"The instrument was installed on the new clock register which was completed on the Punahoa stream in April."

"Arrangements were made during the month for the installation of six new clock register cooperative stream gaging stations, and one clock register ditch gaging station. The stations are to be built during June and July, and are to be operated by the office. All equipment, material and construction cost will be borne by the cooperating parties, while the hydrographic division will oversee the construction and installation, and will maintain, operate and rate the stations in the future."

Those cooperating with the division in this work are as follows: Kahuku Plantation Co., three stations; Hale Plantation Co., two stations; U. S. Army, one station, also one ditch.

On Kauai, weather conditions were unusual. Much rain fell on the lowlands with but few storms. The rainfall was very light in total, while the entire northern end of the island had almost continual rainfall. Work on that island included the completion of the clock register station on the Wailua stream at an elevation of 750 feet, the establishment of rain gages on the Wailua and Kalia streams at the 750-foot elevation, and the starting of work on the new Wailua stream clock register station.

A station will be established on this stream, which is governed water, at an elevation of about 750 feet, to reach which a trail about 2 1/2 miles in length will have to be built.

Mr. Harrison tells of mischief by the "little busy bee" as follows: "The clock register station on the South Wailua river near Iahue was found to be at a standstill. The cause was found to be a bee's nest in the float well which contained a half bushel of honeycomb."

Mail also received an unusual amount of rainfall during May, which was well distributed. The old staff gage on the Waikapu stream was washed away, and a new gage was established at a new datum.

The general attitude was that taxes were inevitable, a nuisance and a burden. Payment was accompanied by a feeling of unfairness and inequality, as though the tax was something taken by superior might from the citizen rather than an obligation fairly due to the public treasury for value received.

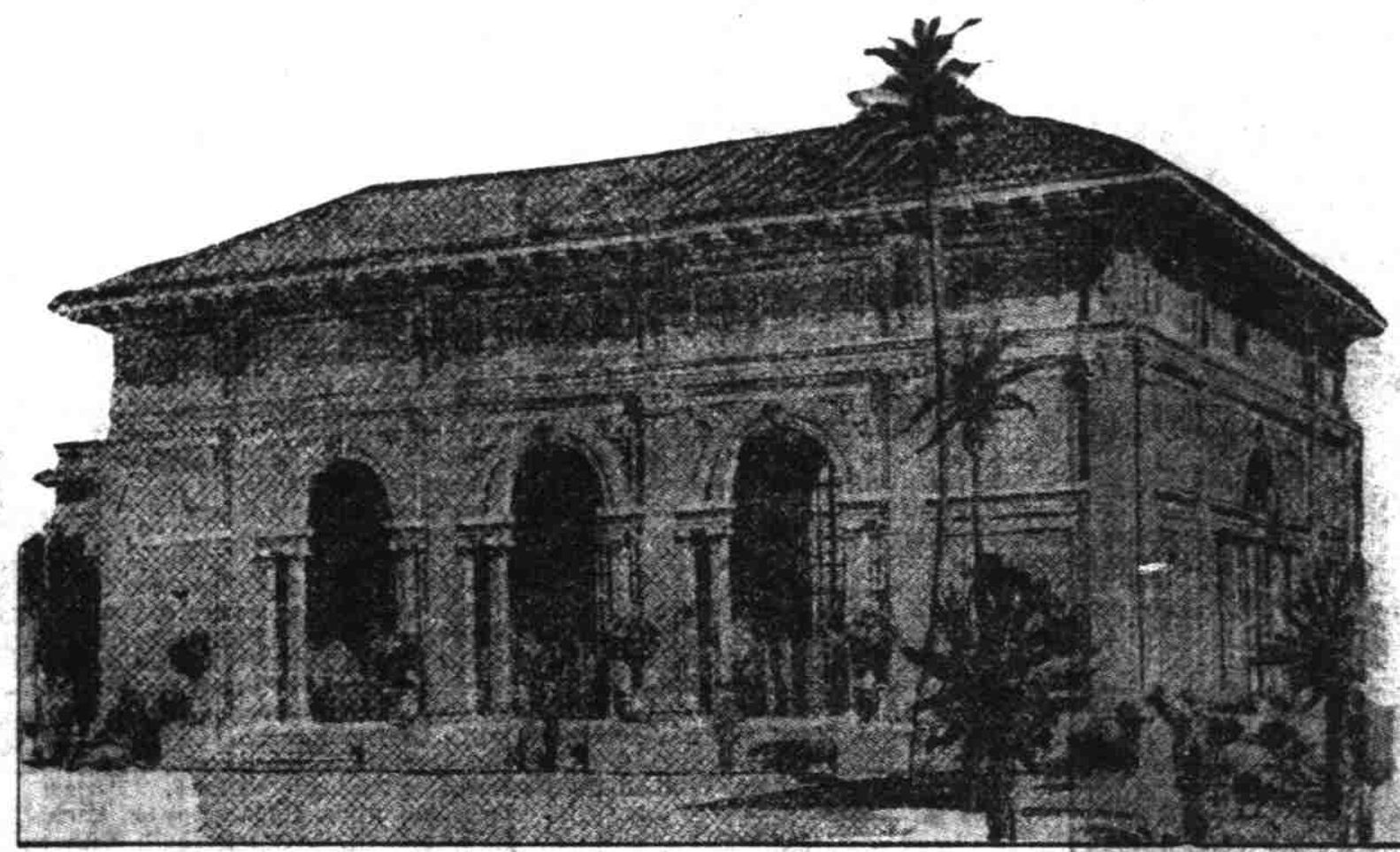
Quotes from Expert.

One of the most effective presentations of this subject was made in 1912 by Tax Commissioner Edward L. Heydecker, of New York City before the Los Angeles meeting of the National Municipal League, and I shall quote, to some extent, from his address in attempting to draw a comparison between taxation, with special reference to real property, and its relation to municipal revenues and expenditures. Improvements Enhance Values.

Municipal revenue is very largely made up of the proceeds of taxes levied on real estate, that is to say, on land and the improvements thereon. The proportion of revenue coming from a direct tax on real property has gradually increased until in many cities this constitutes almost the only source of municipal revenue from direct taxation. At the same time we find earnest effort being made to provide state revenue from other sources, so that the direct tax on real estate may be left to the municipality. While the tendency is to put the main burden of local taxation upon real estate, this is justifiable, since the benefit from the proper expenditure of municipal revenue is reflected promptly in real estate values. These expenditures do not add to the value of any particular building, but only to the value of sites, but they do cause a much greater demand for buildings and in consequence the number is increased. These site values mount with each dollar properly expended in any civic betterment or civic activity, and grow much more rapidly than the expenditures for such purposes. We are here, of course, assuming that the revenue raised by this tax on is both economically and efficiently expended. In all progressive communities, it is now recognized that the rent payers and taxpayers are shareholders in a great public enterprise — their city — in which they have a right to demand an honest management. There is no longer any doubt that waste demands them of that right as well as graft, and extravagance as much as theft. Therefore, before we can obtain the expected enhancement in realty values, due to the investment of revenue in civic betterments, the cost of public service must be kept within the bounds of standard business economy. In this connection, we citizens of this community can well afford to make comparisons between what happens in our public improvements and what ought to happen.

In every growing city, where outlays for improvements have been economically made, land values are steadily rising; an increase in the tax rate, therefore, if it be slight and gradual, is more than likely to be offset, or more than offset, by the increase in land value, so that the owner after paying the increased tax, still has an undiminished net return from his land and hence has not suffered any diminution in his selling price. It is true, of course, that every increase in the tax rate will deprive him of what would otherwise be profit, but on the other hand, the value of his land is due to the presence and enterprise of the population and their efficient municipal expenditures. It is here again that the factor of economical handling of the public funds becomes an important one.

STRUCTURE THAT WILL GRACE THE HAWAII SITE AT 1915 EXPOSITION



supposition is demonstrated when we realize that the prices for sales of land are in all cases merely a compromise between the individual opinions of the purchaser and seller, and that each piece of land represents a particular and specific location on the earth's surface, which cannot be duplicated, and which cannot be moved; and therefore its value does not necessarily indicate the value of any other piece in any other locality."

Reason for Condemnation.

It is due to this absence of a definite standard of value, that the assessment of city land for taxation is almost universally condemned as unequal and unjust. The work may be the honest, conscientious opinion of the assessor, but it is open to criticism by every other citizen, each of whom has the same right in his opinion as the assessor. As it is human nature to express our fault-finding more emphatically than our praise, it is not astonishing that the work of the assessor is condemned. The only list of values, therefore, that can be absolutely satisfactory to a community would be a list representing the unanimous opinion of the community, which of course is impossible. The only common knowledge must be obtained which is so related to the land values that this community expression can be used as the basis for calculating the value of each lot.

This common knowledge is found in that knowledge common to all the people of the community of the relative importance of the streets. The fact that the value of city land is directly comparable with the comparative usefulness of the streets which make it accessible to the trade and life of the city makes this knowledge a reliable and accurate basis for calculating the value of the lots. While this community opinion is not expressed in definite form of price or value, it has been demonstrated that a very clear expression of it can be obtained by comparing the streets one with another on the basis of their frontage values.

Quotes From W. A. Somers.

Since the main item of local taxation rests on real estate and must rest there, and since the assessment of real estate is becoming more and more a direct municipal question, it is of importance of improved assessment methods increases. Despite the very general feeling that assessment is a matter of guess work, we know that it can be made precise, scientific and accurate.

The most important element of taxation of real estate is its valuation. When we realize that the value of anything, even the most common article, is only an individual opinion, and that the only guide to a community opinion as to the value of these common things is market price, and that city land is not subject to market price, we have discovered the cause of the difficulty in obtaining satisfactory assessments of city land.

Realizing that exception may be taken to the statement that city land is not subject to market prices, I shall quote from an article on "Valuation of Real Estate," published in the National Municipal Review, April, 1913, and written by W. A. Somers, the author of "Somers' System of Land Valuations."

"Market prices can only exist for exact duplicates. There can be no market price for any one thing which cannot be duplicated. The market price of wheat is fixed by the bushel; of coal by the ton; and the prices are based on uniformity of quality so that each ton or bushel is exactly like every other ton or bushel."

"A city lot cannot be duplicated. It is a certain definite portion of the earth's surface; and while there may be other lots similar in size and shape, they occupy different parts of the earth's surface, and as the predominant value of city land is its usefulness as a site or location, the fact that several lots may be of the same size and shape is no indication that they are of the same value. Therefore there can never be a market price for city lots except to a very limited degree, such as the case of subdividing an undeveloped farm into city lots of uniform size. They may be offered in the first sale at a uniform price, but this uniformity immediately disappears with the first transfer of the property."

"The fact that market prices are an expression of community opinion of the value of all things used by man that can be moved from place to place — in fact all things except the surface of the earth, land — has caused an impression that the value of city land can be determined from prices as shown by sales. The fallacy of this

is the frontage of a street or other open space which determines the value of a lot, and square foot value ignores this primary rule. A scale of value for varying depths of lots should be established. Different cities have different scales. No one scale can be said to be necessarily correct, but the main thing is to have a scale or percentage table, which is generally accepted and used in the buying and selling of land. The percentage tables in use in the cities which have developed the most scientific work show only slight variations, one from the other, so that there is very general accord as to the relative values of long and short lots. Tax maps are very essential to good work. A tax map is the tool most needed by the assessor, yet in only a comparatively few cities are maps to be found which are adequate for this purpose. The practical construction of a unit value map, when undertaken by competent authority, and through tree planting, to conserve what sources of supply there are, and there is no question that the time for such action is now.

"Tree planting is also going on successfully on the other side of Hawaii. As a result of my visit in April to the Kula ranch in Hamakua, I drew up early in May a statistical report on that project, for the information of the board and for future reference.

"I am glad, in this connection of tree planting, to call attention to several good sized orders for seedling trees that have recently been placed with the division of forestry by sugar plantation companies."

In the remainder of his report the territorial forester tells of work in looking after the fencing of forest reserves and the administration of forest reserves. Consignments of tree seeds from foreign countries, as a result of visits paid by J. F. C. Rock to oriental botanic gardens last winter, continue to arrive and are being propagated at the nursery.

David Haugh, nurseryman, reports the distribution of 9171 plants in May to the general public, and 21,250 to plantation and other companies; also the receipt of an order under the latter head for 50,000 eucalyptus seedlings for delivery before the end of the year. Planting of koa and kukui trees on the Honolulu watershed re-

forester Hosmer States Great Importance of Forests in Kona

Tree planting on the island of Hawaii forms the most interesting topic of the report for May of R. S. Hosmer, superintendent of forestry. Following are his remarks thereon.

"I was glad while in Kona to find a newly awakened interest in tree planting among several of the large land owners. On the lands of the Greenwell estate considerable tree planting is contemplated in the near future. On the Capt. Cook Coffee Company holdings a very promising plantation of sugi (Cryptomeria japonica) has recently been established, and at Huehue, Mr. J. A. Maguire's ranch house, a plot of a number of species of eucalyptus is doing well. In the vicinity of Huehue the silk oak (Grevillea robusta) has become well established and is reproducing itself vigorously from self-sown seedlings.

"Tree planting in Kona is of particular importance because of the rapid deterioration of the native Hawaiian forest over large stretches of the upper lands. Especially in the Koa belt the change from the former heavy forest to an open stand of rapidly dying trees has been marked within the last few years. This condition is most noticeable on privately owned lands in the center of the district that are used for grazing. It is not too late to redeem sections of this native forest if it were protected at once, but there is no time to lose if it is to be saved. I strongly believe, and I so recommended to several of the owners, that, at least surrounding the water holes and swampy places, blocks of forest ought to be permanently maintained, sufficient in size to insure the continuance of both trees and undergrowth in healthy condition."

"Kona is at best but very deficient in water supply. Every source is important. It ill behooves any land owner to let slip any opportunity, through protecting the native forest, and through tree planting, to conserve what sources of supply there are, and there is no question that the time for such action is now.

"Tree planting is also going on successfully on the other side of Hawaii. As a result of my visit in April to the Kula ranch in Hamakua, I drew up early in May a statistical report on that project, for the information of the board and for future reference."

Stockholders of Oahu Sugar Co., representing 177,000 shares of the 250,000 issued, on Tuesday unanimously approved the new bond issue of \$1,750,000 at 6 per cent to redeem the balance of the old bonds of the company. Repay H. Hackfeld & Co. for advances to the Waiahole Water Co. and provide funds for completing the Waiahole water tunnel.

TREE PLANTING ON BIG ISLAND IS EXTENSIVE

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WAR ON FRUIT FLY IS WAGED WITH VIGOR

Silvestri Parasites Are Being Distributed All Over the Islands

According to the May report of E. M. Ehrhorn, superintendent of entomology, the campaign against the fruit fly is being vigorously carried on with the Silvestri parasites introduced last year. Mr. Ehrhorn says:

"Much of my time has been given to the distribution of parasites of the Mediterranean fruit fly in conjunction with Mr. Bridwell's work. The successful breeding of Opus humilis from many of the smaller fruits gives encouragement for the establishment of this parasite in the islands. We are sending out many strong colonies to all the islands, and we are keeping up the breeding of all parasites which Dr. Silvestri brought, as well as the two species Mr. Fullaway brought from Manila, and are making a special endeavor to breed and distribute the opus humilis as much as possible during the present fruit season."

Mr. Ehrhorn reports having inspected 887 lots and 14,276 packages containing vegetable matter in the month of May, of which 840 lots and 14,188 packages were passed as free from pests, the balance being fumigated, burned or returned. From Japan 10,567 bags of rice and 1098 bags of beans were imported, all being clean. Twelve packages of fruit and two packages of vegetables were found in the baggage of passengers from foreign countries, all of which being contraband was burned.

Among the pests intercepted were red spider on ornamental plants from Ohio and rose apple on rose plants. Apples to the amount of 351 cases were overhauled for spawworms in the boxes, and nine bags of coconuts from Fanning Island were fumigated as a precaution against beetles.

Dr. Silvestri sent six packages of staphylinid beetles from Italy, they being enemies of the hornfly, honeybee, stablefly and other flies subsisting in manure. Four packages contained 60 living beetles in good condition, all the beetles in the other packages being dead on arrival. Two lots of insecticide, Japanese beetles were sent to Molokai, two lots were sent to Kona and four lots were distributed in Oahu.

Brother Newell at Hilo inspected 147 lots and 2259 packages of imports, finding nothing objectionable in them. He reports importation there of 6500 bags of rice and 341 bags of beans, also two bags of sesame seeds and tow of vegetable seeds, none of which contained pests but the seeds were fumigated as a precaution. Mr. Ehrhorn has provided two large tarpaulins for fumigation of Japanese rice and beans coming into Hilo district, should any consignment be found infested with weevil or moth.

In the inspection of inter-island steamers, 20 packages out of 607 examined were refused transportation to serve for the month amounted to 174 trees. Mr. Haugh has responded to 20 calls for advice, by mail, telephone and personally, during the month.

Governor McGovern formally announced his candidacy for United States senator.

Recent victories of the constitution-alists help to explain their dislike for an armistice.

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